

-New Interest-Free Loans Will Help Small Businesses Pay Down Debts- Washington, DC

Congressman John Hall (D-Dover) announced today that Hudson Valley small businesses may be eligible for interest-free loans under a new program created by the American Recovery and Reinvestment Act. The "America's Recovery Capital" (ARC) program, which goes into effect today, allows small firms to take out loans of \$35,000 to pay down existing business debts. Borrowers pay no interest on the ARC loans and repayment does not begin for one year.

"Hudson Valley's small businesses are the engine of our local economy and they deserve our support during this difficult period," said Congressman Hall, a former small business owner. "One of the best ways we can help small businesses is to provide access to capital, which is why this new loan program is so important. The ARC program gives small business owners extra breathing room so they can pay operating expenses, make payroll, and retain employees."

To qualify for the ARC loans, small firms must demonstrate they are experiencing immediate financial hardship due to the economic downturn, but are otherwise deemed by the Small Business Administration (SBA) to be viable. The loans will be made by commercial lenders and can be used for payments of principal and interest for existing, qualifying small business debts like credit card obligations, mortgages, lines of credit, and balances due to suppliers, vendors, and utilities.

"Small businesses create seven out of ten new jobs," said Hall "To get our economy back on track, we need to make sure small businesses are able to grow and to continue investing in our communities."

To apply for ARC loans, businesses should visit their local SBA-approved small business lenders. The loans will be available through Sept. 30, 2010, or until appropriated funding runs out. Additional information about the ARC loan program is available at <http://www.sba.gov/recovery/arcloanprogram/index.html>

In addition to the ARC loan program, the Economic Recovery package contained other measures aimed at helping small firms access credit. For instance, the new law increases the percentage of a loan that the SBA can guarantee, makes SBA-backed loans more affordable and provides tools to unfreeze the small business credit markets, helping small companies access capital at affordable rates. -30-